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Reynolds Consumer Products, Inc. (REYN)

Investor Day

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MANAGEMENT DISCUSSION SECTION

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Well, good morning, everyone, and thank you for joining us here this morning in New York and online for the Reynolds Consumer Products 2024 Investor Day. We're delighted to have you here today. My name is Mark Swartzberg. I'm Vice President, Investor Relations. And we have a series of engaging presentations, starting with our President and CEO, Lance Mitchell, followed by our four business unit Presidents: Judi Buckner, Reynolds Cooking & Baking; Lisa Smith, Hefty Waste & Storage; Chris Corey, Presto Products; and Rachel Bishop, Hefty Tableware. And finally, Scott Huckins, our Chief Financial Officer, will share with you our financial progress and how we intend to grow our business. To foster a dynamic exchange at the end of our sessions, all speakers will gather on stage for a group panel question-and-answer session.

For those of you here in the room, we have mic runners to help during Q&A. And for our webcast audience, please do submit your questions via the online platform. We're looking forward to hearing from you as well. We are monitoring these submissions, and we'll pass them to the panelists.

The presentation and playback of today's video portion will be available at the conclusion of the event and can be found on our Investor Relations site.

Before we get started, I would like to provide a couple reminders. First, I want to make you aware of the Safe Harbor statement, which I'm sure you're all going to read. This morning's discussion contains forward-looking statements based on current expectations and beliefs. These statements are subject to risks, uncertainties and changes in circumstances that could cause actual results and outcomes to differ materially from those described today. Please note that the company does not intend to update or alter these forward-looking statements to reflect events or circumstances arising after our presentations.

It is now my pleasure to introduce you to Reynolds Consumer Products.

[Video Presentation] (00:01:55-00:03:56)

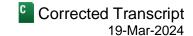
V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Good morning, everyone. My name is Lance Mitchell. I'm the President and the Chief Executive Officer of Reynolds Consumer Products. It's been my privilege to have served in this role for the last 13 years since we formed this company. And so, on behalf of my entire team, I want to welcome you to the 2024 Investor Day. I want to thank all of you that are attending live here today and many that are joining via the webcast.

Reynolds Wrap has been a staple in kitchen since 1947. And it's become synonymous with quality and reliability for over seven decades. And then alongside it, the Hefty brand was established in 1965. And it's become a household name known for durability and value. It was the formation of Reynolds Consumer Products in 2011 that really brought together these iconic brands under one umbrella and really solidified their presence in the market.

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And then you fast forward to January 2020. A significant milestone was achieved when we took the company public, marking really a new chapter in the rich history of this company and of Reynolds Consumer Products' wider audience continuing to promise innovation and excellence going forward.

Over the last four years since going public, we've encountered many unique challenges from global pandemic and then supply chain disruptions and then inflationary pressures. And through all of that, we've remained unwavering in our commitment to safeguarding our associates, serving our retail partners and our consumers, and securing the long-term success of our company. We have gained market share of household foil, of waste bags and other essential household categories since 2019.

And we have now successfully returned to pre-pandemic earnings levels. And we returned over \$700 million in cash to our shareholders through dividends, which translates to approximately \$3 a share. As you'll hear throughout our presentation today, we are committed to enhancing our financial flexibility by continuing to reduce our debt.

Today, what we want to do is update you on our strategic priorities, our financial objectives, and our vision for the future. And by the end of this session, we really want you to have a clear understanding of what makes Reynolds Consumer Products the competitively advantaged product company that we are.

As we progress through the presentations, please keep away, I've got six key takeaways. First of all, we win with our people. We're incredibly proud of the highly talented and dedicated team of over 6,000 associates that collaborate day in and day out to achieve our corporate objectives. They're all critical to our success that I'm proudly – I'm really proud of the talent we have in our organization.

The average tenure of our manufacturing leadership and our manufacturing plants is over 10 years. We're a leading provider of cooking, serving, clean-up, and storage products, with 95% of US households having at least one RCP product in their home. It's evident that we create products that people love.

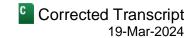
Through our deep collaborative relationships, we win by championing our categories with our retail partners and our consumers. We're excited about the return to a volume consistent with the algorithm that we shared at the time of the IPO. And we have a really strong record of outgrowing the categories overall.

So, throughout this presentation, members of our leadership team are going to guide you through our strategies for growth, which is focusing on innovation, including increasing our focus on the commercialization of environmentally sustainable solutions.

And finally, we want you to leave here today knowing that our primary financial focus is expanding our margins and driving cash flow to increase our financial flexibility so that we can unlock further opportunities to drive shareholder value.

To help share our goals and our strategic priorities, I'm joined today by Scott Huckins, our Chief Financial Officer, and he is the newest member of our leadership team, and by the Presidents of our four business units: Judi Buckner, Lisa Smith, Chris Corey and Rachel Bishop. Together, this team has over 200 years of combined experience in the consumer products industry and over 100 of those years at Reynolds Consumer Products. I think as you listen to each of the business unit Presidents, you'll notice how their skills and their styles really complement one another, reinforcing and strengthening the approach we take to managing our business with a portfolio of companies.

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Now, what I'd like to do is share with you our 2030 strategic vision. At the time of our IPO, I introduced to many of you that our mission was to simplify daily life to enjoy what matters most. That continues to remain really the core of our strategy today. Our products provide convenience, which gives consumers the gift of time. They make cooking and cleaning in our homes simpler and easier, and our products give busy people the time to do things that matter most to them, which is spending time with family and friends, working towards important goals, spending times on hobbies or just simply relaxing.

Our goal is to be a leading provider of products for very specifically cooking, serving, clean-up and storage in North America. And we plan to build on that vision for the years to come.

Serving as the foundation for our organization success are four pillars that guide our strategic execution towards these goals, and we're going to discuss them here today. Grow the core, expand margins, champion cash, and explore for more.

So, let's start with what we're doing to grow our core business. We're going to continue to champion our categories as an integrated supplier of naturally branded and premium private-label household essentials to our retail partners. This is an advantage that historically has allowed us to really adapt to the changing market conditions and consumer preferences, and it's more effective than competitors who do one or the other. So, we're going to continue to leverage innovation and deep consumer insights to serve our retail partners and our consumers with the right products at the right price.

And we're going to continue to prioritize environmental sustainability through product innovation, while reducing our environmental footprint. So, we're going to continue to grow the core business and champion our categories by leveraging our branded and private-label business model. This integrated business model has long been and will continue to be a strategic advantage for RCP.

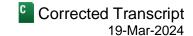
As you can see, our mix of national brands and store brands really remain similar to the day to what it was in 2019, which really demonstrates success in meeting consumers' shifting needs during a period of really exceptional macroeconomic volatility.

I think one of our key strategies is our retail partners rely on our category management teams to optimize category sales and their profitability by providing a really deep understanding of consumer preferences and insights into the category with the right mix of national brands and retailers' own brands. We've earned their trust. We've earned the trust of the retailers due to our unique category management teams, the data analytics, and our broad product offering. This expertise is foundational to our success because we provide retail partners with the products, the pack sizes, the innovation, the merchandising, and the other drivers of value and convenience that their shoppers expect.

As a result, we have exceptionally strong, long-lasting relationships with our customers, and the overwhelming majority of our customers really rely on us to provide category capital-level insights. Additionally, by serving as a single US-based source for both national brands and store brands, our retail partners realize supply chain economics and more efficient service within their categories by sourcing from us.

The Reynolds and Hefty brands are extremely strong brands, and we're going to continue to drive their success. Each brand exceeds \$1 billion in retail sales and continues to grow, propelled by superior brand equity, the consumer confidence in those brands, and the Reynolds and Hefty simply daily life which is consistent in their investment in leadership and expansion. The Reynolds and Hefty brands hold the number one or the number two

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positions in household foil, waste bags, and numerous other household essential categories, which we'll talk here more about today.

Two-thirds of our sales come from products where we hold the number one category position. And as I said a moment ago, 95% of US households have at least one RCP product in their home. So as a result, we enjoy a high level of diversity in our channel mix, including online sales, which represents over 18% of our revenue and it's growing. We're channeling significant investments into our brands through extensive and unique marketing campaigns, and you're going to see a lot of those in the presentations here today.

Notably, our advertising investments have surpassed pre-pandemic levels. And so, this strategic increase reflects our commitment to enhancing our brand visibility. Our current marketing efforts are centered on expanding awareness and increasing purchase frequency among a generation of consumers. This not only includes Millennials, but as you'll see today from our marketers, Gen Z and demographics, both of Millennials and Gen Zs as well.

Now, product innovation is core to our success and is a major driver for us. In 2023, we again sourced more than 20% of our sales from products that we'd introduced in less than three years, including some products like Hefty Fabuloso, our Stay Flat parchment paper, and a range of innovative products you'll see here today. And as you'll hear from my colleagues, our innovation effectiveness is really contributing to market share gains in our largest categories, while also allowing us to evaluate opportunities in adjacent markets.

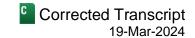
Let's turn now to sustainability. RCP is increasingly incorporating sustainable practices in our manufacturing operations and our product offerings, which is aligning with a growing consumer demand for affordable, environmentally friendly options. And so, we're well on our way to achieving our goal of incorporating sustainable options across 100% of our product lines by next year. And our sustainable product sales have grown from \$248 million in revenue in 2019 to \$333 million in 2023. So, this growth not only highlights the dedication to sustainability, but also the increasing importance to consumers.

In November, we completed the purchase of Atacama. Atacama manufactures bioplastic material blends that are highly compostable, which provides RCP now with the know-how that could be applied to a wide range of traditional products across the RCP portfolio. So, Rachel Bishop is going to elaborate on the potential for Atacama in her remarks. And the dedication to sustainability really extends from products to families and the communities in a variety of ways, including the Hefty ReNew program, and Lisa Smith is going to elaborate on that, and our partnership for Feeding America, which Judi will discuss.

So, the next pillar in our 2030 vision is expanding margins. We're enhancing earnings by striving for further margin expansion through a strategic blend of initiatives. And this includes we're going to optimize our product mix, we're continuing to implement revolution cost savings programs to enhance productivity, more automating of our manufacturing and business processes, and reducing our manufacturing expenses, as well as continuing on our digital journey.

Information technology has become a cornerstone, and studies have shown that companies that embrace digital transformation are more profitable than their competitors. At RCP, our strategy is to empower and collaborate across the entire enterprise by providing valuable data and insights and positive user experiences. We use information technology to improve our processes, to leverage data, and to make informed decisions. In 2023, we delivered new capabilities in digital procurement, supply planning, deployment, sales functions, time and attendance on our plants. And we're going to continue to improve on our transactional systems so we become more intelligent.

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The next pillar of champion cash. In 2023, we achieved record-breaking cash flow, which is a testament to the financial strength and resilience of our company. We prioritize optimizing cash flow alongside earnings growth so we can ensure a really financial foundation for sustainable success. This means we're going to continue to reduce debt to strengthen our financial position, making targeted investments to expand our business organically and through opportunities, including targeted acquisitions in emerging technologies, but most importantly prioritizing shareholder value through dividends. And Scott is going to elaborate on champion cash in his remarks.

The fourth pillar, explore for more. So, this is becoming an increased important pillar for us resulting from our category leadership, our advantaged business model, our innovation and manufacturing capabilities, and our increasing flexibility and really the opportunity to grow outside of the existing categories. Our current categories add up to a total addressable market of \$20 billion in annual retail sales in both tracked and untracked channels.

So, our current product portfolio represents about \$4 billion of this market. So, Scott will elaborate on some potential opportunities we see in adjacent markets demonstrating a high degree of similarity to our current categories and a strong fit with the competencies of the Reynolds – our core competencies as well as the Reynolds and Hefty brands. We're exploring these opportunities in new markets through targeted M&A and merging technologies, much like the Atacama acquisition that we made.

But before I turn the stage over to Judi, I'd like to share a special and unique aspect of RCP. When we formed Reynolds Consumer Products through the combination of Alcoa's legacy consumer businesses and Pactiv's legacy businesses, which included the Hefty Tableware business, we had a unique opportunity to create a new company and to create a new culture to achieve our strategic priorities and objectives.

We have an internal slogan: together we make great things happen. And it encompasses a passion for collaboration, teamwork and achieving our goals together. At RCP, we truly place immense value on listening, learning and evolving. And I think our cooking – Reynolds Cooking & Baking recovery plan that we've talked about over the last year is an excellent example of how our passion for teamwork, achieving our goals propels us forward and ensures we remain adaptable, resilient, and focused on our mission.

So each January, we set out the company's top five priorities for the year, which we call the Focus Five, to which both team members and individual goals are aligned to focus on the areas where they make an impact on those key priorities. Every employee in our company has the opportunity to fulfill our strategy, and is expected to contribute to the strategy and shaping our culture.

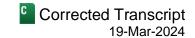
So, I'd like to take a moment to take a look at few of the members of our great team and how they contribute to these priorities.

[Video Presentation] (00:22:21-00:24:40)

Pick that last video. But the one I like the most is the operator who said, I want 700 safety managers in this company. Because as you can see, safety always stands out as a foremost priority in our company, because I absolutely firmly believe that fostering a culture of safety-first really emphasizes the importance of discipline across all aspects of our company operations and business processes.

So, our other four priorities for 2024 include driving revenue through profitable growth. We're going to advance our ESG initiatives across products, people and the environment. And Rachel is going to talk a lot more about that. We're continuing to pursue operational excellence, and we're safeguarding margins and cash flow as a key

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priority. All actions taken by our associates at both team and individuals levels line up with these Focus Five priorities. And this is something we've been doing for years.

Now, I'd like to introduce our next speaker, Judi Buckner. Judi first joined us as an accomplished chemical engineer, and she served our organization with exceptional dedication and skill, including in a Plant Manager role. She started out on the shop floor. She'll tell you more about that.

In late 2022, we entrusted her with leading the Reynolds Cooking & Baking Recovery Plan. With great resolve and great effectiveness, Judi and her team, along with the support of the entire RCP organization, did an outstanding job delivering on the commercial, the operational and financial goals that we set for 2023.

So, Judi, you're a proven and trusted colleague. I'll turn the floor over to you. Thank you.

[Video Presentation] (00:26:39-00:26:52)

Judith Buckner

President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Thank you. Thank you, Lance. And thank you to all those here in person and viewing online. My name is Judi Buckner, and I'm excited to speak to you today about the Reynolds Cooking & Baking business unit. I have a deep history with Reynolds Consumer Products first joining in 2000 as an engineering leader for the Hefty business and advancing across increasing roles of responsibility, including Director of Research and Development, and Vice President of Operations and Engineering.

In 2017, as Senior Vice President of Business Transformation or Revolution, as we call it, I led the company's overall initiative to drive cost savings, growth and innovation. I then led our private label and specialty business unit for three years. And since late 2022, I've had the privilege of leading the Reynolds Cooking & Baking business unit, which includes all aspects of the company's flagship branded products.

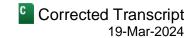
Reynolds has been in the kitchen making mealtimes easier for over 75 years. As Lance said, in 1947, the first box of Reynolds Wrap aluminum foil was sold. And through the years, Reynolds introduced other kitchen staples like oven bags, wax paper, slow cooker liners and parchment paper.

And throughout that long history, Reynolds has become synonymous with trust in the kitchen, and the Reynolds brand reputation for quality and reliability is unmatched. We are a \$1 billion brand that consumers rely on for easy solutions across the cooking process. And we hold the top share position in 7 of our 10 categories. All 10 categories Reynolds participates in have higher branded share than private label.

Overall across the categories, brands represent 66% dollar share, and private label is 34%. We proudly work hand in hand with our retail partners to provide exceptional service and to drive growth for the entire category while protecting our strong share.

We're the only vertically integrated manufacturer of aluminum foil in the USA, converting both virgin and recycled aluminum into consumer-ready products. This gives us a strategic competitive advantage in both cost and quality, allowing greater control throughout the process from the chemistry to the mechanical properties. This gives Reynolds Wrap foil better memory when wrapping food and dishes that consumers see as a distinguishing feature. We have a dedicated strategic metal buying team and blending team, and they deliver our proprietary blend in the most cost-efficient way. We test and control each and every batch of aluminum. We meticulously manage all process parameters to ensure the highest quality and product safety.

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Before we look forward, it's important to look back at the challenges that we've overcome the past two years. During the pandemic, demand was high and exposed manufacturers to operational and supply chain challenges. And for Reynolds, unplanned equipment downtime and a period of unprecedented inflation resulted in a temporary loss of manufacturing efficiencies, and a period of imbalance between our selling prices and our product material costs. These setbacks were instrumental for 2023, setting our priorities, and also again for 2024.

We initiated the Reynolds Cooking & Baking Recovery Plan, a focused effort to restore operational stability, streamline supply planning, and reduce outside metal reliance to build a more resilient and responsive business model. And I'm pleased to report significant progress across our key priorities.

In 2023, we restored operational stability, returning our daily production to historic rates. We restored the business to historic levels of earnings, ending in 2023, improving profits by 30% for the year. And we achieved volume growth in Reynolds Wrap, resulting in a volume share increase of 3 points compared to 2022.

And as Lance said, this was a result of efforts and resources from teams across the company. In fact, we put processes and new technology in place to help predict and prevent operational challenges before they occur and begin to leverage data in new ways across our plants to ensure we don't have a similar situation occur in the future.

For instance, motion amplification, which is vibrational analysis on steroids, and electronic signature analysis measuring the slightest change in electrical currents. It's all helping us move to a more planned maintenance process versus a reactive process. This new technology is also allowing us to democratize technology and data as we move this information into the hands of our operators and floor leaders in real-time versus a stale weekly report that engineers get only once a week.

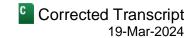
And on the commercial side, we reset our cross-channel pricing architecture and we restored profitability. We also increased advertising support with a big focus on appealing to younger cooks, resulting in a penetration gain with millennials of 1.6 points.

With these achievements, our revenue generation for 2023 stands at nearly \$1.3 billion. And as a testament to our execution of the Reynolds Cooking & Baking Recovery Plan, adjusted EBITDA grew from \$142 million in 2022 to \$184 million in 2023, an increase of 30%. These results reflect a year of focused efforts and strategic execution yielding outstanding outcomes.

One of the major market trends impacting Reynolds is cooking habits and household formation within Millennials and Gen Z. Think of your kids, colleagues, yourself, or friends who fall into this Millennials and Gen Z age range. This group fundamentally thinks, acts, shops and cooks differently. And one of the primary objectives in our new campaign is to connect this group with advertising, where they see themselves, and they feel like Reynolds is a brand for them. And one of the key trends we see is that once Millennials purchase Reynolds Wrap for the first time, they convert to purchasing Reynolds Wrap at the same rate as previous generations according to brand tracking research from Harris. In 2023, Reynolds grew unaided awareness with Millennials nearly 20 points across both foil and parchment, greatly reducing the gap with Boomers for foil and closing the gap for parchment.

Our new Chef's Kiss advertising campaign was just launched in January, and was developed from the insight that younger cooks enjoy connecting with friends and family through cooking but they lack confidence. We aim to show them how Reynolds products will make their cooking process easier growing their confidence, and increasing their enjoyment in the kitchen. Let's take a look.

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[Video Presentation] (00:33:37-00:33:52)

I love that. Another important part of our strategy is teaching this group how to use these kitchen products. We work with a diverse group of influencers, and we've built a robust library of own content for digital and social amplification where younger cooks are actively seeking this type of content. The goal is to drive greater awareness across the broader product line, because research has shown the breadth of the Reynolds portfolio is a strength with increasing levels of consumer purchase intent as they become more aware of products in the Reynolds portfolio. And to bring this to life at the holidays, we will air another ad in the campaign showcasing foil, parchment and oven bags. Let's take a look.

[Video Presentation] (00:34:34-00:34:48)

That gets a triple Chef's Kiss. Another way we deepen these connections with these younger cooks is by making a positive impact in our communities and aligning with their values. We have been a proud partner of Feeding America for the past four years in the fight against hunger and have donated over 7 million meals to-date. And during September, which is Hunger Action Month, we ran a campaign with nearly 2 billion advertising impressions to drive awareness of this important cause.

Reynolds has a rich history of product innovation with product offerings across 10 segments, serving as the resourceful assistant in the kitchen. We have a robust pipeline of products within our product lines, expanding the brand into new spaces and, in some cases, creating entirely new categories such as butcher paper. Last year, Reynolds KITCHENS introduced both air fryer liners and stay flat parchment, evolving with the changing needs of today's cooks and addressing key pain points in our categories. And in 2024, we will expand usage occasions in the foil sheets category with the introduction of heavy-duty sheets, and we will also launch new grill pans to complement the rest of our grilling portfolio.

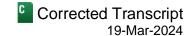
One of the key filters in our innovation process is around sustainability, with the goal of offering affordable, sustainable solutions across all our product lines by 2025. Millennials and older Gen Z have a different value equation. Price is still important, but quality, sustainability and the brand's values play a bigger role in their purchase decision than ever before.

In 2019, we began converting our paper products to responsibly-sourced materials with FSC and SFI certification that now spans our paper portfolio. That same year, we launched unbleached compostable parchment paper. In the following year, we transitioned the rest of our parchment paper as well as wax and butcher to compostable offerings. And last year, we added air fryer liners to our compostable offerings.

These initiatives are all part of an ongoing effort to provide eco-friendly solutions to our environmentally conscious consumers. Reynolds' approach to sustainability within our foil line leverages the inherent recyclability of aluminum, a material that can be recycled endlessly without losing its quality. In 2021, we introduced 100% recycled foil, an eco-friendly alternative that offers the same quality, the same strength as our everyday foil and is available at the same price point, providing an affordable eco-friendly solution.

We now turn our attention to how all these efforts converge towards a vital aspect of our business strategy, expanding margins. We're enhancing our financial health and efficiency, thus ensuring our long-term growth and success. You may recall we are the only vertically integrated manufacturer of aluminum foil in the USA, which provides a competitive cost advantage.

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We are investing in our operation. In fact, last year marked the commencement of a two-year initiative to modernize and automate across the Reynolds operations, a significant step towards optimizing our manufacturing processes. And modernization stands at the forefront of managing costs effectively, improving long-term equipment reliability and continuing our laser focus on safety and quality. In other words, our opportunity for operations-related savings is significant. And we will continue to upgrade what's winning at retail, replacing our tail with SKUs generating higher margins and velocities than what they replaced, and in some cases, our portfolio average.

In summary, I'd like to highlight the three key facets of the Reynolds Cooking & Baking business that distinguish us as industry leaders. Reynolds is a trusted, iconic, 75-year-old brand, loved by consumers and synonymous with cooking, easy cleanup, serving, storage and quality. We're the only vertically integrated manufacturer of aluminum foil in the USA, giving us a strategic competitive advantage to deliver that differentiated quality in a cost-competitive way.

We are focused on driving cost savings through operational excellence, modernization and automation. And Reynolds is positioned for growth as the steward of our categories with a demonstrated track record of expansion into new categories with innovation, enhancing the mix and increasing sustainable offerings. We are investing to grow with the next generation of cooks. And as I demonstrated, we are unlocking a major opportunity to grow awareness and purchase frequency of our categories with millennials and Gen Z, and are expanding our sustainable offerings that are important to these consumers. With these business advantages, we are poised for continued growth.

And speaking of driving business growth, I have the privilege to introduce Lisa Smith. Lisa brings deep marketing expertise and strong leadership to our team as president of the Hefty Waste & Storage business. Thank you.

[Video Presentation] (00:39:45-00:40:15)

Lisa M. Smith

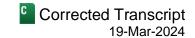
President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.

All right. Well, I hope you enjoyed that. Thank you, Judi. And good morning, everyone. I'm really excited to be here today to talk with you about the Waste & Storage business. This is definitely a business that is Hefty and not wimpy, wimpy, wimpy. I've had the pleasure of leading this business for the past three years. And my background includes 35 years of CPG experience in sales, brand marketing and category management at companies like Mars Food, Sara Lee, SUNSTAR Oral Care, and then over 14 years here at RCP. I've served as the VP of Marketing on the Hefty business unit as well as the Reynolds business unit. And I am passionate about the Hefty brand, about developing meaningful innovation, and then introducing this iconic brand to younger generations.

My key takeaway is that the Hefty brand and our Waste & Storage business is poised for growth because of our large categories that have healthy trends, our strong brand equity, our commitment to sustainability, our rich innovation pipeline, and then you'll see our breakthrough advertising that's targeted at younger consumers. Before I talk about the Waste & Storage business, I want to share a little bit more about the Hefty brand with you.

The Hefty brand is 60 years strong, and it's really got a strong history that's characterized by product innovation. Our success is based on a compelling value proposition of consumer-preferred strength and quality combined with our critical pricing strategy that gives everyday consumers an exceptional brand at a fair price. Hefty is on its way to becoming a \$2 billion mega brand. And we have a portfolio that offers strength and convenience across multiple categories. And for most of those categories, we've reached the number one or the number two brand in the category.

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Now, since 2019, we've grown total Hefty retail sales by over 40%, which is a 9% CAGR. We've achieved this growth as a result of our exceptional brand equity, which originates from the iconic waste bag business. We have 98% brand awareness, and we lead in those key metrics that drive purchase in our categories, brand trust, quality, strength, durability. Actually, research confirms that 8 out of 10 of you here in this room today are familiar with our famous chant.

[Video Presentation] (00:42:37)

Whoa. The brand has strong equity and is seen across many generations. Even Gen Zs know the Hefty chant. Now, in 2024, we're going to launch an umbrella campaign across all of our categories that's going to help leverage the strength of this brand further.

So, now that you know more about the Hefty brand, I'm going to the shift over to the Waste & Storage business. RCP is a key leader in these large and healthy waste and storage categories. We produce both brand and store brand solutions. The waste bag category has a total addressable market of about \$5.1 billion, and it serves as one of our largest categories here at RCP. Now, the food bag category has a total addressable market of about \$2.6 billion.

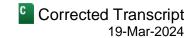
And one of our greatest achievements is Hefty's ability to increase market share over time. In the waste bag category, we have grown market share year-over-year for the past eight years, increasing from about 16% in 2015 to 22% in 2023. And a key driver of this growth is the fact that Hefty has increased our household penetration. And in fact, in the past four years, we've increased it over 2 points, which has outpaced the category and our other leading brands.

Now, another critical part of Hefty's success is what we call our performance pricing. This helps us optimize a retailer's assortment to provide good, better and best solutions that meet the needs of all of their shoppers. A great example of this is in the press-to-close food bag segment. Until recently, consumers didn't have a viable quality brand to trade up to unless they wanted to pay 2 to 3 times the price for the category – the premium brand within that category. And that's why we launched Hefty press-to-close bags to fill that consumer need. We offer a strong brand, category-leading quality and unique benefits to the consumer, all at a 25% to 30% retail price reduction to the premium brand in that segment. This is especially relevant in today's economy.

And most importantly, we're focused on growing categories. And Lance talked about earlier how we work collaboratively with our retail customers to do this. One example is that we've been working with a retailer for multiple years because we found some opportunities in their waste bag category. So, we brought analytics, consumer insights, recommendations on things like their innovation, distribution, planogram changes, and over the past few years, many of these recommendations were put into place, and the results are clear. Between 2019 and 2023, this retailer grew their total waste bag category sales by over 40% with consecutive year-over-year growth and significantly outpacing the waste bag category. That's the power of category management.

Now, let's shift over to our intense focus on relentless innovation. Hefty's been a product innovation powerhouse since day one. Whether we're helping to control odor, launching the drawstring, adding embossing technology to make our bags stronger and more flexible, or increasing the sustainability of our products, we're always looking to understand the needs of our consumers and lead our categories with meaningful innovation. So, in 2016, we launched Hefty Ultra Strong waste bags, and we gained 3.3 share points just in those first three years of that product launch alone. And as a result, we won a Nielsen Breakthrough Innovation Award in 2018. And then, in 2021, we launched Hefty Ultra Strong with Fabuloso.

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We combined two nostalgic brands to broaden our consumer base and help us drive consumer loyalty. Fabuloso isn't just a scent. It's a joyful experience, an uplifting memory, and it's a powerful, clean feeling that you get across your home. Hefty with Fabuloso earned the Circana Pacesetter Innovation Award for 2022, and it's now grown to over \$160 million in retail sales. And the great news is, even now, starting in year four, we're still growing at 27%. Hefty with Fabuloso has helped us expand our household penetration of millennials over 3 points in the last four years. And we will launch our third scent, Citrus and Fruits, in 2024 to help us continue that growth.

Now, innovation doesn't have to be breakthrough to be meaningful. We recently launched a half-gallon slider bag, which is perfectly sized for those items too big to put in a quart bag, but yet feels wasteful putting into a gallon bag. And in 2024, we're expanding our freezer half-gallon to new channels for two key reasons. First, as consumers cook more at home, they freeze more at home, freezer bags are leading the category up 3%. And second, our Hefty half-gallon sales show that they were 16% incremental to the category. So, while the half gallon-bag may be smaller in size, it's absolutely big an opportunity. And looking forward, you can expect us to continue innovation that resonates with consumers and further expands our loyalty. And we're going to be focused on younger, multicultural households.

Now, let's shift over to sustainability. Our focus isn't just on launching sustainable products, but sustainable portfolios. And in 2024, we are transitioning our Hefty waste bag portfolio to include PCR or postconsumer recycled materials in about 25% of our volumes sold, and we expect that number to increase year-over-year.

We're also committed to minimizing packaging, and we've recently completed some projects where we have reduced the size of our packaging across our entire waste and storage portfolios. That was definitely a win-win. We were able to reduce paperboard and corrugate, pallets, trucks on the road, and ultimately over 5,000 metric tons of greenhouse gas emissions annually. But at the same time, we helped our retail customers improve the efficiency of their shelf space. So, absolutely a win-win.

We're really excited about our newest innovation that is shipping this month. We will be the first brand in the US to launch a sustainable plus social waste bag. New Hefty Ultra Strong with Coastal Plastic will be made with 35% recovered materials, including 10% coastal plastic. We are partnering with Plastic Bank to prevent plastic pollution and support communities in need. Let's take a deeper look at Plastic Bank.

[Video Presentation] (00:49:26-00:50:02)

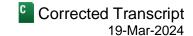
So, that's why we've chosen to become an ocean steward. We've only just started ordering from Plastic Bank, and we've already committed to the recovery of over 9 million plastic bottles and 400,000 pounds of plastic from the coastlines.

Now, in addition, we're supporting community recycling through our Hefty ReNew Program. This turns hard-to-recycle plastics into valued resources. And the program is very simple.

[Video Presentation] (00:50:30-00:50:44)

The Hefty ReNew Program is expanding to over 2 million households in 2024. Participation is seen across all generations, but we have the highest level of engagement with millennials and Gen Z. And participants have helped divert over 2,600 tons of hard-to-recycle plastics from their local landfills. That's the equivalent of almost 50 airplanes. So, this is meaningful change, and we are incredibly proud to be helping drive this program forward.

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So, next, let me tell you a little bit about Hefty's investment in advertising. We drive demand through breakthrough advertising media leadership. We break the mold with unconventional advertising that goes beyond that typical category story of stinky or weak trash bags. And this approach has helped us stay relevant and attract new, younger households.

Hefty Waste Bags advertising awareness increased 10 points across both millennials and Gen Z in just the past two years. And we're growing household penetration with these consumers. Hefty's advertising recall, it outpaces our key competitors 3 to 1, and brand association metrics outpace our key competitor 2 to 1. Our advertising ROIs have improved year-over-year, and we're well above competitive benchmarks. We absolutely have an expertise in media analytics that doesn't just live with our agency or with our analytics managers. All of our marketing associates have a developed skill set and a mindset of getting more from our media every single day.

Now, in 2016, we first partnered with John Cena and we brought back the well-known Hefty Wimpy campaign that you got to see earlier. We're pleased to announce that we have recently extended our contract with John Cena because over the past eight years we've proved out the power of this partnership. Hefty's top-of-mind awareness has increased 7 points since 2016.

Now, I'm going to give you a sneak peek into one of our new ads that highlights trash heroes, who embrace their inner strength to get the job done. Typically, when you think of strength, you think of athletes or superheroes, but everyday life calls for strength, too, the strength to do the tasks you need to get done, to clean up your messes, or to face down an overly bold raccoon looking for first dibs in your trash. In this new campaign, John Cena comes to life as the spirit of Hefty. He's that voice in your head telling you that your strength is anything but ordinary when facing the challenge in front of you.

[Video Presentation] (00:53:24-00:53:38)

So, I guarantee you, next time you all take out the trash, you're going to be thinking about raccoons. And then, to help accelerate the growth, on the other side of our business on Hefty slider bags, we have a new campaign called Seal it with a Slide. This campaign combines the nostalgic joy of the famous Cha-Cha Slide from the year 2000 with the strength and the convenience of Hefty slider bags today. Take a look.

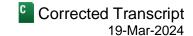
[Video Presentation] (00:54:04-00:54:19)

So, hopefully, you can see that our breakthrough advertising, it engages, it persuades, and it drives consumer loyalty. We will continue leading in advertising creative and media execution to help us drive brand and category growth.

So, now, I'd like to come back to the healthy financials of the Waste and the Storage business. We generated revenue of \$942 million and EBITDA of \$261 million in 2023. We rebuilt our profitability by having an increase of 26% over 2022, and we did that with a sharp focus on Reyvolution cost savings, including manufacturing and supply chain efficiencies.

For example, we developed a proprietary new solution to help improve the quality of our waste bag side seals while reducing downtime and manufacturing costs. We invested in automation to help reduce labor. We improve our scent application while lowering material costs. And we invested in technology across all of our plants to help improve manufacturing efficiency. We're going to continue to combat inflation with a focus on enhancing productivity, improving trade efficiency and launching new profitable innovation.

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So, as I close out, I'd like to make sure that you have three key takeaways about the Waste and the Storage business. First, we are poised for volume and revenue growth due to our large categories with healthy trends, the strength of the Hefty brand, our rich innovation pipeline and our breakthrough advertising that attracts younger households. Second, we are committed to creating sustainable portfolios, reducing greenhouse gas emissions and driving community recycling through our Hefty ReNew Program. And third, we're going to continue driving profitability through our focus on volume growth, Reyvolution cost savings and improved trade efficiency.

I truly hope I've been able to convey to you all the – the power of the Hefty brand and the Waste and the Storage business. The success we've had over the past decade has been notable, and I'm honestly just very honored to have been a part of it. It has truly been a highlight in my career. But I'll tell you, this team is not done. We have many more ideas and strategies to help continue to grow our business and our categories.

So, next up, I'd like to introduce Chris Corey. He is the President of the Presto business unit. Chris and I work collaboratively together to supply both branded and store-branded solutions across our customers. So, please welcome Chris.

[Video Presentation] (00:56:57-00:58:03)

Christopher Corey

President-Presto Products, Reynolds Consumer Products, Inc.

Lisa, thank you for the introduction. Good morning, everybody. My name is Chris Corey, and I am the President of the Presto business unit. I've had the privilege to be in the role since 2022. Prior to leading the Presto business unit, I was the SVP for our International and Canada Business. My background includes 23 years of sales leadership and general management experience across domestic and international markets with PepsiCo, Johnson & Johnson and Kraft Heinz.

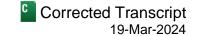
At Presto, we have a legacy of proudly building our retailer brands, with a strong focus on delivering national brand quality. The Presto Company was founded in 1961. Over the years, our business has been on the forefront of meeting consumer and market needs through delivering quality product and innovative solutions. We are a leader within the private label space. One of our main competitive advantages stems from the fact that we have extensive coverage across four key household categories. The food bag category is our largest and most attractive category. And within food bags, we focus on the highest growth and most profitable segments.

Private label plays an important role within the food storage category. Through COVID, retailers were challenged with elevated demand and supply disruptions. Private label played a role in keeping retailers in stock and serving their customers. Most recently, we can't ignore the inflation environment and how it's affecting everyday purchasing decisions. Retailers are increasingly focused on driving differentiation, engaging new consumer groups and building innovation.

Now, why is that important for RCP and for us? It is truly driven by our model, which combines national brands, building private label and branded product to deliver value to the category irrelevant of the economic cycle. And our well-positioned domestic manufacturing network provides us with unparalleled surety of supply.

Now, let me tell you why I'm excited about where we're headed. It is truly rooted in our results. The food bag category is dynamic. Out of a \$1.9 billion, in track channels, private label represents almost half of the category in dollar share. Over the last three years, RCP has gained 8 points in volume share and 12 points in value share within the press-to-close private label food bag segment.

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Now, we are focused on quart and gallon press-to-close, which saw an 18% cumulative growth since 2019. This is a direct result of consumer purchasing larger size bags driven by an increase in in-home cooking. These segments represent the future of our category, not only in terms of growth, but also from a pricing and a margin perspective. Our commitment to high potential segments guides our investment decisions. We channel capital specifically to expand capacity in these areas. Quart and gallon food bags deliver a healthy margin for our business since they are typically priced 3 to 4 times that of the smaller capacity bags.

Now, to share with you, how we're able to deliver value to our business and our customers, we focus on four key areas. First and foremost, we couldn't do it without our research, development and engineering capability and teams. They are truly our secret ingredient. They develop the rapid development of new innovation that's cost-effective.

Our manufacturing, operational network and supply chain integration is another key enabler for us. We deliver superior customer fill rate and responsiveness to market demand. With over 1,400 employees across six dedicated domestic facilities, we are positioned favorably versus our competition, who are typically sourced from international suppliers.

Third, we leverage our company's procurement scale and efficiency, resulting in affordable costs – formidable cost advantage. And finally, our market expertise and leadership is best-in-class. Our extensive knowledge on the consumer and the category reinforces our leadership status. We guide our retailers with strategic insights to enable data-driven decisions to meet consumer needs.

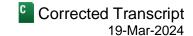
We are confident with the growth potential of our business as we continue to focus on our core segments and execute against three growth strategies. First is through customer acquisition. Our comprehensive value proposition allows us to win new customers with an existing private label assortment. Second is expansion into private label white space. Our robust manufacturing network, R&D expertise enables us to introduce private label offering with national brand equivalent quality to customers currently without a private label assortment. And lastly, innovation, which is a vehicle for us to grow with our existing customers, helping us to gain new distribution quickly.

Now, as we think of innovation, we focus on two key areas. One, functional innovation. And second, sustainable innovation. As we think of functional innovation, it is core to our success. An example of functional innovation is the launch of our gusseted stand-and-fill food bags, which address a key consumer frustration of trying to fill a bag that won't stand on its own. Our gusseted food bags are highly preferred among food bag users. In fact, it has a 91% preference versus non-gusseted bags and a 63% preference versus leading national brand.

Now, looking at sustainable innovation, our focus on delivering sustainable innovation is demonstrated by our recent launch of our renewable food bag – our renewable sandwich bag in 2023. This product is made of 20% less plastic and it leverages our Land & Sea technology. It combines land-based starch material with calcium carbonate sourced from the sea. This product is priced at a premium, but is still within the reach of the masses. This innovation claimed the top spot as the best-selling sustainable food bags in dollars, units and volume sales where it's listed. In fact, it had 4 times the velocity of a second closest sustainable food bag offering.

Now, we're getting ready to expand this innovation, our renewable innovation, through wider distribution and deeper product assortment. Our future sustainable innovation pipeline will include renewable offering, compostable and leveraging recycled content and will position us as a leader within the press-to-close food bag sustainable private label space.

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As a business unit, we continue to be committed to future cost savings and margin expansion. As you know, the private label sector is competitive and dynamic. We engage in relentless pursuit of cost saving across our entire value chain. This strategy is critical for securing competitive advantage domestically and fostering robust financial growth. Additionally, to safeguard our margin, we have implemented pricing strategies that address fluctuation in commodity and other operational costs into pricing agreements that we've established with our customer. This protects us and our retailer in a fluctuating cost environment.

Now, in 2023, a significant milestone was reached for our business, where we delivered \$112 million in EBITDA, surpassing \$100 million for the first time. Our relentless focus on Reyvolution cost saving was a key contributor to our profit expansion. As we continue to expand our market share position and streamline our costs, we anticipate further improvements in our business margin profile.

Now, in summary, I would like to reinforce three distinctive elements about the Presto business unit that sets us apart and gives us strategic edge for future earnings growth. First, we are well-positioned to expand our leadership position within the private label food bag segment and accelerate growth through customer acquisition, functional innovation and affordable sustainable solutions. Our RD&E is our secret ingredient, continuously developing differentiated products that have been proven to win in the marketplace.

Second, the Presto business unit benefits from the overall cross-category scale and infrastructure of our company. Our category captaincy and ability to win with private label and brands sitting side by side is valuable to us and our retailers. And lastly, we have built critical capabilities, financial expertise and discipline to maneuver through economic volatility and cost headwinds, allowing us to remain focused on expanding margin and delivering strong shareholder returns.

So, thank you, everybody. We will now take 10 minutes. After the break, Rachel Bishop will talk to us about the Hefty Tableware business. Thanks a lot.

[Break] (01:07:47-01:19:31)

[Video Presentation] (01:19:17-01:19:31)

Rachel Rothe Bishop

President-Hefty Tableware, Reynolds Consumer Products, Inc.

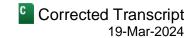
Good morning. Welcome back from break for all of us. I'm Rachel Bishop and I have led the Hefty Tableware business since I joined RCP in 2019. I was lucky enough to be part of the team that helped bring Reynolds public in 2020 and met some of you during that process. As far as my background, I'm an over-educated materials engineer. I have a PhD from Northwestern. I did teach some classes there. And so this format and all of you online [ph] reminds (01:20:00) me a little bit of this. I certainly was not above asking questions of the folks that showed up late, but I'm going to control that this time around.

I left academia to start my business career at McKinsey, and then I went to Walgreens and worked on retail strategy and M&A there, followed up by time at TreeHouse Foods as Chief Strategy Officer, and then President of the Snacks business before coming here to Reynolds. What I like here is that I'm really using those materials, engineering skills, as well as the business skills. But best of all, I get to work with a great team, many of whom you were able to meet earlier today.

So, with that, I'm really excited to talk about my favorite subject, the Hefty Tableware BU. So, what I'm going to do first is start with a little bit of a walk down the tableware aisle. I'm sure like most Americans, you've used our



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products. Maybe you've also shopped for them. But what I want to do is really kind of expand your perspective to include all of the different ways that consumers shop for and use our products.

So, the first thing you might notice, if you were in the aisle, is that our overall category is about two-thirds private label and one-third branded. And my business is about half branded and half private label. So, we supply both the large-scale retailer brands as well as bring our Hefty brand to our customers. This gives us a lot of category leadership credibility with our customers, and it also builds a great partnership where together we can focus on growing the category and capturing overall share.

And we do this by leveraging both the scale that we get from RCP as well as the insights from our category teams to develop products, messaging, and price architectures that address all of the needs and preferences of both our retail partners and our consumers. This tight partnership extends from the [ph] center of the shelf (01:21:47) all the way back to the plant floor. If you were to visit my plant in Huntersville, which most of our key customers have visited, you would see that the customer brands we make there are treated with the same care and precision as our \$2 billion Hefty brand that Lisa told you about before.

So, we talked about the strength of the brand and how it's positioned in the market. And the brand traits that we talked about are not just waste and storage, but they also apply to tableware. So, we did a recent net promoter study across all tableware brands and all different substrates, materials and Hefty scored the highest with a net promoter score of 51. Our brand strength comes from both that reputation for quality and value, as well as from the fact that we are the only tableware brand to play across the entire aisle. So, we have cups, cutlery and dishes, and we participate across material types.

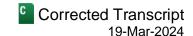
So we have offerings in foam, paper, molded fiber and injection-molded items, which means we have a product to offer for every price point aesthetic and need. So now I want to put the mousse on the table, so to speak. In recent years, we have seen some states and municipalities limit or ban the sale of foam dishes. And we do anticipate that, that will have some impacts to our foam business. But our past performance actually offers a pretty reassuring perspective.

If you look at our sales from 2019 through 2023, you would see a double-digit reduction in the pounds of foam sold over that period. But this decrease has been fully offset, thanks to our success at growing all of our other products. This adaptability underlines our division's resilience and our ability to stay ahead in a very dynamically evolving market. So what I'd like to do now is get into a little more detail about exactly how we've done that and how we plan to continue this path.

Our growth plan has focused on innovation with three core platforms: Cost leadership, fun and function, and sustainability. You've got a little bit of an overview of our cost leadership program, which includes automation, efficiency and value engineering all of our products. But what I'm really going to focus on now is what we're doing on fun and function, as well as what we're doing to develop sustainable products. To show you how we bring each of these items to life in a very compelling consumer offer for both private label and for the Hefty brand.

So first of all, when we think about innovation, we think about the consumer. She values us for the convenience we bring to everyday life. And I do mean every single day. More than 60% of our sales are for daily usage occasions by consumers that use these dishes for mealtimes, for snacks, and then the rest are used for more celebrations; holidays, special occasions where you may have a large group and you might not want to do the dishes. You might want to stay in the moment.

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Within these occasions, we have consumers that are looking for value and they might look for low-cost foam dishes or private label party cups. And we have others that are looking to pay for increased strength and performance from our injection-molded plates or our heavy duty cutlery. And we know that everyone loves that Hefty brand. We outself the other branded cup competitor by a factor of 2 to 1.

For everyday use, we've expanded the occasions where our products can be used. For example, we launched a Hefty 28 ounce container in 2020. It's an injection-molded black-bottom clear-top container. And that product has seen double-digit growth every year since it launched in 2020. It's a great product for meal prep, for leftovers, and for small businesses to use for their takeaway business.

We also noticed a trend towards more bowl meals like poke bowls, rice bowls, soups, stews, pastas and stir fries. And in response, we actually launched a larger bowl, both a foam bowl and molded fiber bowl, which means that consumers now at all income levels and all aesthetics have a Hefty item that they can use for their favorite meals.

Our team also loves to bring fun to our category. We bring fun to the cups category by developing a range of variety pack color options for big holidays. So think red and blue cups for the patriotic flair for your summer holidays. Pastel shades are out now for your spring gatherings. And a festive mix of red, green and gold for the holiday season. These colored choices are about more than just the aesthetics though, they also enhance that celebratory spirit of every single occasion and help consumers set the table for the event, but also help our customers bring holiday to the aisle of their stores.

But perhaps the most fun we've had in the past, maybe even several years, has been the launch of our nostalgic Zoo Pals line. We responded to a Change.org petition that had over 65,000 signatures asking us to bring back our beloved Zoo Pals line. So, we decided to give it a try and see how they'd respond. And, man, did they ever respond. Our retail partners sold out in six hours and our PR campaign generated over 3.7 billion earned media impressions. Remarkably, despite only being on Amazon in 2023 for five months, Zoo Pals was the best-selling kid's dish item for the entire year based on full-year metrics for every other item.

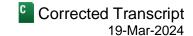
But what was really fun was that it wasn't just kids and their parents, they struck this nostalgic chord with millennials and Gen Z, and they brought our gratitude to us in all sorts of fun social media posts. So I'm going to channel my inner millennial or Gen Z for just a minute. If you can put my hat on. Guys, we are all freaking out over Zoo Pals, but like, that was our childhood and it's coming back and I'm so freaking excited I can now finally bring the good china for dinner parties. My inner child is very happy right now. These are the kinds of posts we got. We had so much fun reading them.

And what we were able to do was build on this momentum and put together this advertising campaign that brings together all of the items from across our portfolio for all of our consumer types, but also leverages that iconic, Hefty, Hefty, Hefty brand chant to encourage people to use our products, so that they can stay in the moment with their friends and family. Let's have a look.

[Video Presentation] (01:28:14-01:28:28)

Love that chocolate cake. One thing you might have noticed is that while the ad features all of the products in our portfolio, there's a strong highlight on our sustainable dishes. This helps introduce the consumer to our sustainable portfolio, which has been one of the pillars of our innovation program. In 2020, we launched the Hefty ECOSAVE line in response to the growing consumer demand for sustainable, high-quality products.

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These heavy duty tableware items are made with plant-based materials and they are fully compostable, aligning with our commitment to environmental responsibility. They were the product of the year in the 2021 Consumer Survey of Product Innovation. Following the launch of ECOSAVE in 2022, we launched Hefty compostable printed plates. These plates were the first printed press paper plates in the market to be compostable and led the industry in their continued move towards more sustainable tableware.

The success of these lines demonstrated both our ability to hit their right consumer demand points, but also the strength of the Hefty Tableware brand. In particular, our research has shown us that while consumers often believe that sustainable products are less likely to perform quite as well as their conventional counterparts, if the item has that Hefty brand, our consumers trust that they will get high quality at a great price. This positions us to be the leader in sustainability, bringing the credibility of our brand to a category where consumers have a bit of skepticism.

Our sustainable innovation though is not just about dishes. This year, we are bringing our Hefty party perfect cups to be 100% recycled and still recyclable in market. Our engineers have worked hard to develop a recycled product that lives up to the Hefty brand for both clarity and strength. But we're not stopping there. The next generation of sustainable development for Hefty cutlery and cups will be fueled by our most recent acquisition Atacama Manufacturing.

Atacama brings us a unique approach to materials development, creating innovative bioplastic blends that are engineered and blended to be more affordable and easier to process. Atacama has developed compostable cutlery in lab wear. And now since the close of that acquisition in Q4, they have been working with our team to develop a good, better, best portfolio of compostable cutlery to bring to the market. In addition, we're working together with them on a compostable party cup, which will have all the appearance and feel of your traditional red and white party cup. We're thrilled with how this new relationship has developed and excited to continue to fuel our sustainable products pipeline with this technology.

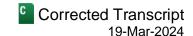
Finally, I would like to discuss our collaboration on party cups circularity with The New Norm. The New Norm is a start-up company founded by a college student who is motivated to find a recycling option for the party cups that she saw on campus. She started with a small tabletop extruder in her dorm room, and with our support, she has now transformed our Hefty party cups and ocean plastics into sustainable fabrics. We have some samples of the beanies she's made here for you today. We've got some models in the audience. Thank you for that.

To wrap this up, what I'd like to do is just remind you of what a really great year the Hefty Tableware business had in 2023. We have nearly \$1 billion in revenue and a 30% increase in EBITDA. We did face some volume headwinds as consumers became more cautious with their spending. And I'd like to highlight what we're doing in 2024 [ph] itself (01:31:58) to drive both our legacy and new product portfolio in the face of this dynamic economy and evolving consumer landscape.

We are focused on hitting competitive price points through lower accounts and relevant promotions in market, as well as building baskets through cross portfolio promotions. We're expanding our distribution across channels and markets, winning key customers and geographies for our assortment. And we are launching higher count value items that will allow our customers to stock up affordably for more frequent use.

Looking forward, I feel really great about the direction of the Hefty Tableware business. We have a mega brand with exceptional brand equity on its way to continuing to grow in the tableware category. We have unrivaled customer relationships with an integrated approach and private label approach across the most comprehensive

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portfolio. Third, Hefty is becoming the leader in affordable, sustainable product offerings and expanding the portfolio through advanced sustainable innovation.

And finally, we are committed to always putting the fun in function for our products. Now what I'm going to do is I'm going to switch hats for a minute and just wrap up some of what you've heard on ESG at Reynolds from all of my colleagues. I've led our ESG effort since the IPO in 2020, along with an ESG steering committee. Our effort is built into the fabric of the organization. And that means that we are able to make sure that our ESG journey is not just about doing good, it's also about doing good business.

Our commitment to ESG means products that command more shelf space and more consumer love. Our drive to lower our greenhouse gas emissions is a benefit to our planet and to our utility costs. And our commitment to diversity, equity and inclusion means that we always have access to and a loyalty of the best talent in the industry.

Since 2020, we've achieved several of our stated ESG goals. All of our branded products and packages have recycling instructions available to consumers. We've achieved pay equity and remain committed to maintaining it going forward. And last year, our 2030 greenhouse gas commitments were accepted by the Science Based Target initiative.

Going forward, our ESG program is structured around three core pillars: Products, People and the Environment. Each pillar is crucial to our comprehensive approach to ESG, reflecting our commitment to making a positive impact through every facet of our operations. Within the Products pillar, we're committed to having a sustainable option within each of our product lines by 2025, as well as fully recyclable or reusable packaging in that same timeframe. And as you've heard through all the examples today, we are on track to achieve that goal. Our focus on product circularity involves increasing the use of recycled resin and aluminum in our production, to reduce our reliance on virgin materials, and in so doing also decrease our Scope 3 emissions.

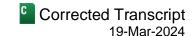
Under the People pillar of our ESG strategy, our commitment is multifaceted, encompassing safety, diversity, pay equity, and community collaboration. As you've heard, we prioritize safety above all, striving for zero incidents across our operations. In 2023, we reached a record low in total recordable rate, underscoring our dedication to maintaining a safe work environment for all of our employees. But low is not zero and we will continue to put safety first always. In terms of diversity, we are actively working to increase representation across our organization to bring a variety of perspectives and ideas that enrich our company culture, improve our messaging to all consumer groups, and enhance our ability to attract and retain talent.

And finally, I'd like to turn to the Environment pillar. We've set a bold target to reduce our greenhouse gas emissions by 25% by 2030, a goal that reflects our dedication to combating climate change and minimizing our environmental footprint. This involves implementing energy efficient technologies, optimizing our operational processes, and working with our suppliers to make sure that we're decreasing our reliance on fossil fuels where possible.

In our efforts to reduce plastic waste, we're expanding the availability of our Hefty ReNew Program, an initiative discussed by Lisa, and our commitment to achieving zero waste to landfill for our manufacturing operations underscores our holistic approach to environmental stewardship. We are decreasing the generation of scrap materials and finding new outlets for the scrap we do generate, which both decreases our footprint and our costs.

Our comprehensive ESG strategy with its focus on products, community, and the environment reflects our unwavering commitment to not just achieve business success, but doing so responsively and sustainably. As an

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organization, whose products are in 95% of all households across the US, we have a big opportunity to drive positive and meaningful change through our ESG commitments. The initiatives outlined today are more than just objectives. They reflect our core values and our blueprint for the future.

So with that, I'm going to wrap up this very long opening set. I'll give you a moment to change tabs and get to a new page. I'm going to introduce the CFO that puts the fun in F, Scott Huckins. Thank you, Scott.

Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

Thank you, Rachel, and good morning, everyone. I'm Scott Huckins. And it has been my privilege to join Reynolds Consumer Products as CFO in November of 2023. I'm genuinely grateful for the warm welcome that's been extended to me by everyone, including everybody in this room and online. We're very pleased to have completed a very thorough and thoughtful transition of the CFO role. For your benefit, my 35-year background includes stops in banking, manufacturing and CPG sectors with leadership roles in both finance and general management.

Before we move forward, I'd like to pause for a moment and reflect on the excellent presentations that we've witnessed today. It has indeed been an enriching day of discussion marked by good learning opportunities. As we draw near the end of the agenda, I'm pleased to present our financial outlook and framework for the future. Following my presentation, Lance will offer some concluding remarks and we'll take a brief intermission to provide for a question-and-answer session with our entire team. I encourage you to consider questions that you may have as we're intending that last wrap-up session to be a meaningful conversation with all of you.

In this section, I will take you through five topics. First, we'll go through our recent results in our 2024 guide. Two, we'll talk about the financial algorithm for the future. We'll then cover our cash flow generation and capital allocation framework. Fourth, we'll talk about the extended total addressable market opportunity set for Reynolds. And fifth, we'll try to offer some perspective on total shareholder returns or TSR.

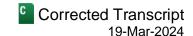
Let's start by briefly reviewing the 2023 results, and in the context, our 2024 guide. As we look at the 2023 results, it's evident that the strategic initiatives have effectively shielded the company from the adverse effects of inflation. These initiatives have allowed us to maintain our EBITDA levels, and importantly, we've expanded market share in important categories such as household foil and waste bags, and even exceeded our original earnings forecasts.

The 2023 results represented a significant increase in profitability, with 16% growth in each of EBITDA and net income with each business unit growing earnings by 16% or more. We also generated a record level of free cash flow and significantly deleveraged the balance sheet, finishing 2023 at 2.7 times adjusted EBITDA leverage or more than [ph] 1 full turn (01:40:17) less than the company delivered in 2022.

Our guide for 2024 remains unchanged. We forecast a modest decline in revenue, primarily driven by our low-margin, non-retail business. Through improved mix, our Reyvolution savings programs and maintain our strong cost discipline, we project strong earnings growth for 2024.

Let me provide a few key takeaways from the 2024 guide itself. First, we expect to outperform the category, as you've heard today and we've demonstrated over the last several years. Second, we forecast strong earnings growth with low-double digit increases in earnings per share. The growth in earnings reflects continued profit growth from a Reyvolution program and is in part benefiting from our demonstrated commitment to deleverage the balance sheet, for which we see another strong result coming in 2024.

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As a reminder, we forecast that we will be within our target leverage range of between 2 times and 2.5 times adjusted EBITDA by the end of this year. These results and the balance sheet strength nicely set up the rest of today's materials.

Let's now turn to the financial algorithm and its underpinnings. At our IPO, we presented a framework intended to steer the business over the long term. The framework has, in fact, proved its resilience, managing both through challenging and more flexible economic cycles. As we refresh the longer term outlook, we have adopted a principle of continuity. We have rolled forward the operating environment of today. This means that our forecasts are built without expecting fundamental shifts in input costs relative to pricing.

We have also not projected significant changes in interest rates or other macroeconomic trends. This methodology ensures that our longer term outlook is, in fact, firmly rooted in the present, offering a solid foundation for strategic planning and decision making. This approach also reflects our commitment to pursuing a realistic and sustainable path forward, prepared and flexible in response to potential changes in the economic landscape.

With this context, it's important to remind that we anticipate a more stable economic environment as we operate just as we shared on our fourth quarter 2023 earnings call. The anticipated stability may unveil opportunities within the operating model, allowing us to utilize our comprehensive framework with even greater efficiency.

Before we delve deeper into the framework, let's take a moment to review the recent journey which has been characterized by inflationary pressures and economic uncertainties. Our response to these challenges has been both proactive and strategically effective. We've outperformed our categories, delivering approximately 2% better volumes when adjusted for product portfolio optimization. This speaks to the strength of our brands in general and also our unique offering of brand in a store brand business model.

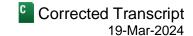
A pivotal factor in our success has been agility and adjusting prices in line with commodity costs and other inflationary pressures. These actions have enabled us to preserve direct correlation between the top line and revenue and the cost of sales, ensuring that commodity prices have been effectively offset. As a result, we've maintained consistent levels of profitability, even against an inflationary backdrop.

It's important to recognize that while our strategic pricing actions have indeed preserved dollar profits, they have led to a 3- to 4-point reduction in percentage profit margins. The ability to effectively manage pricing demonstrates RCP's capacity to adapt to economic fluctuations. This adaptability is more than just a strategy. It's a reflection of the inherent strength and resilience of the RCP business model.

Furthermore, this experience highlights our preparedness for a more stable economic landscape. We perceive such stability not merely as a return to the previous state, but as an opportunity to refine and elevate our operating model. Stability also presents further prospects for growth, reinforced in our strategic positioning for future success.

To reground on the broader market opportunity for Reynolds, let's spend a moment reviewing the size of the total addressable market or TAM of the categories we currently serve. As Lance shared earlier, this market size is approximately \$20 billion at retail, led by waste bags, food bags, foil, and tableware, of which we serve about one quarter of this market. As a result, there is significant room for growth across our existing categories. I would now like to discuss the market segments that we operate in.

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Through collaboration with an independent third party, utilizing Circana and other validated retail volume data, we have projected growth across these categories. We expect growth in these categories to return with an average annual growth in the low-single digits starting in 2025. This growth is driven by a more stable economic environment, increases in household formation, and other long-term drivers of consumption. This growth, coupled with our demonstrated history of outperforming our categories, directly supports the assumptions within our strategic framework, and lays a solid foundation for ongoing earnings growth.

The long-term financial outlook or financial algorithm is unchanged from the IPO. We'll spend more time on the details in the next couple of slides. But the only real difference in the outlook is that the dividend is larger today than it was at the time of the IPO. Our financial algorithm is based on four assumptions, which I'll walk you through. They really reflect a continuation of our past performance and not a so-called bending of the curve. On revenue, our product categories return to low-single-digit annual volume growth in 2025 and beyond, with RCP growing in line or faster than the categories.

Second, adjusted EBITDA growing in the low- to mid-single digits annually, driven by volume growth, gross profit growth slightly in excess of volume growth. And SG&A in line with top line performance. The gross profit performance is driven by a Reyvolution program, focused on manufacturing and supply chain costs in addition to more favorable business mix. Net income in EPS growing mid-single digits annually, while operating [ph] less leverage (01:48:01) just below 2.5 times adjusted EBITDA, which we plan to achieve by the end of this year 2024.

Finally, our target leverage range remains 2 times to 2.5 times adjusted EBITDA. Assuming a relatively stable interest rate environment, it's important to note that further deleveraging below 2 times to 2.5 times would allow us to grow net income and therefore EPS faster than mid-single digits annually.

Now, I'd like to walk you through a few bridges in each case from the midpoint of our 2024 guide through 2030. On this page, we're showing \$450 million of revenue growth or a 2% CAGR between 2024 and 2030. This represents approximately two-thirds of the growth in profit in the financial algorithm.

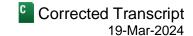
Here, we're looking at the adjusted EBITDA bridge again from 2024 to 2030. In addition to the revenue growth and its flow through to profit, we're also committed to driving further productivity and realizing additional cost savings through Reyvolution initiatives. These savings not only bolster our operational efficiency, but also offer a pathway to additional margin expansion.

As we have updated our analysis of the business, we do see significant opportunities across the business units in multiple areas, including manufacturing and supply chain costs. As a result, we are comfortable sharing that approximately one-third of the growth in profit comes from Reyvolution program.

As we look at the EBITDA margin percentage profile at the end of the forecast, note that the 21% delivered by this algorithm is, in fact, very similar what was achieved in 2019 or pre-pandemic. I'm sharing this point to support the statement that I offered earlier that the refreshed algorithm does not assume any bend in the curve or is this connected from our actual demonstrated results.

Finally, I'd like to offer a few comments on our digital journey. In 2023, we delivered new capabilities in digital procurement, supply and deployment planning, sales functionality and time and attendance in our plans. Our vision to increase production efficiency and performance through data and automation is becoming a reality. We will continue to improve our systems to become more and more intelligent.

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Turning our attention to free cash flow. In 2023, we delivered a record of \$540 million of free cash flow. As we consider the forecast through 2030, we project to deliver 50% to 60% conversion from EBITDA to free cash flow. This preserves our historic levels of capital spending and our historical net working capital to revenue relationships, along with leverage in the 2 times to 2.5 times targeted EBITDA range.

To provide a sense of capital allocation capacity, we estimate having approximately \$2 billion to invest by 2030, using the assumptions discussed in the financial algorithm. Please note that this does not consider the potential earnings from those investments we may make, meaning the practical capacity is likely a bit larger.

In the near term, the free cash flow conversion positions us well to reduce the company's leverage to target. Over the longer term, this enhances our capacity to make investments. We will discuss the capital allocation strategy in more detail next. The capital allocation strategy is two pronged. The first prong remains our commitment to our target leverage range of 2 times to 2.5 times EBITDA. The second prong is the prioritization framework across three key areas of potential investment to effectively drive growth and maximize shareholder value.

First, we focus on organic growth, internal investments, with a dedicated emphasis on product innovation and productivity enhancements as strategic objectives. Specifically, these support our grow the core and expand margins strategic pillars, and our opportunity for attractive returns here is extensive.

Product innovation involves investing in the development of new products and technologies to meet changing consumer demands and sustain our competitive edge. Simultaneously, we target cost reductions through productivity enhancements aiming to improve operational efficiencies, optimize our cost structure, and of course enhance profitability.

Second, inorganic growth through targeted mergers and acquisitions represents another pivotal area of our strategy, enabling us to expand our market presence, diversify our product offerings, and incorporate strategic capabilities that complement our current and core operations.

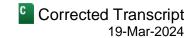
Third, we are committed to returning cash to shareholders through a dividend at a level consistent with the cash generative nature of the business. And of course, we will also consider returns of capital through special dividends or share repurchases. In navigating through these priorities, it's important to clarify that while each of these three categories represents an avenue for investment, they collectively compete for capital. Important statement, they collectively compete for capital.

This competitive dynamic ensures that we pursue the opportunities with the highest return profile. Our disciplined capital allocation process is designed to critically evaluate each investment opportunity, whether it be in product innovation, productivity enhancements, mergers and acquisition, or the returns of shareholder capital.

This approach enables us to allocate our resources efficiently, prioritizing projects that align with our strategic objectives, meet our financial criteria, and is explicitly linked to shareholder value creation. As we draw this portion of the discussion to a close, with that signal, I want to highlight our strategic avenues for growth, particularly through targeted mergers and acquisitions and product innovation. Our current TAM were about \$20 billion at retail represents just a portion of our potential scope. By considering products and categories adjacent to ours and those with similar buying patterns to our current offerings are recurring in nature.

We uncover a diverse range of products in areas such as cooking, serving, cleanup and storage. These align well with the Hefty and Reynolds brands, thereby significantly expanding RCP's total addressable market by an additional \$23 billion. Our strategy for tapping into these new categories includes a balanced approach of product

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innovation and targeted acquisitions. This two-pronged strategy underscores our commitment to, number one, expanding the categories that not only complement our existing product lines but also embody similar consumer purchasing behavior and dynamics; in fact, those that are repeat regular consumption.

Second, focus on categories that resonate with and are relevant to our existing and established customer base. And three – and third and finally, carefully select categories that offer opportunities for growth, both in terms of increasing our market share, but also those categories that are poised for the overall growth of the category itself.

By integrating product innovation with strategic and targeted M&A, we aim to explore and enter new markets where the Hefty and Reynolds brands naturally belong. This thoughtful expansion, grounded in our strengths and our consumer insights, positions us for enhanced growth and success in the evolving consumer goods landscape.

Returning capital to shareholders remains a cornerstone of our strategy, signifying our financial strength and our commitment to delivering shareholder value. As you can see from this slide, which is pulled from a FactSet consensus, a total shareholder return analysis for our [ph] HPC peer (01:57:29) group reveals insightful projections for the period for between 2023 and 2025. RCP is poised to excel in delivering value to its shareholders.

Noteworthy is our EPS growth of 10%, which surpasses the peer average by approximately 2 points, illustrating our ability to grow earnings at a faster rate than those of our competitors. Additionally, our dividend yield stands prominently at 3.1%, outstripping the segment average by a third, making us one of the highest yielders within our segment.

Our projected total shareholder return, or TSR as some call it, of 13.2% also notably exceeds the segment median of 10.6%, representing a 25% higher return profile. This performance propelled by our EPS growth and dividend yield, highlights our proficiency in creating shareholder value. Moreover and importantly, our valuation metrics indicated discount relative to our peers. Our forward price-to-earnings ratio is 25% lower than our peers.

To summarize, we see a multiyear expansion of our business with revenue CAGR in the low-single digits and EBITDA CAGR in the low- to mid-single digits and an EPS CAGR in the mid-single digits. Note again that we have a good chance to outperform the EPS CAGR in the near term as we delever to our leverage target with our conservative financial profile. We're excited about the return to growth and the opportunity to supplement that growth with both organic and inorganic investments.

In closing, I'd like to offer four key takeaways from this portion of our discussion. First, RCP truly is at an inflection point. Profitability has been restored and our attainment of our leverage target is near. Second, as a reminder, the algorithm is a continued demonstration of existing performance and not a bend in the curve. Third, we have and are building significant financial flexibility and investment capacity. And fourth and finally, the management team here today is committed to a TSR-based capital allocation framework.

That concludes the financial outlook portion of the discussion, and thank you. I'd like to bring Lance Mitchell back to offer his closing remarks. Lance?

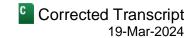
V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

To offer just a few closing remarks before we move on the Q&A section and I want to thank, Scott, and all of our speakers who worked hard on these presentations today and what went into them. And I want to really express my gratitude to each and every one of you for being present here with us today, both those of you here in the



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room and those of you on the webcast. Your presence here really underscores your commitment to our success and your shared belief in the opportunities that we have in front of us.

As we conclude the presentation today, I'd like to reaffirm a couple of the key takeaways. First, we win with our people, a testament to the dedicated team of over 6,000 associates that we have on our team who collaborate and drive success each and every day. Our position as a leading provider of cooking, serving, cleanup, and storage products is a reflection of our deep penetration in US households. Our strategy to win by championing our categories for our retail partners and consumers has fueled consistent growth for us and outpaces our categories. Our category [ph] captured (02:01:39) positions and how we manage categories with branded and store brands is a truly unique strategy and value proposition.

Looking ahead, we're going to grow through innovation, emerging technologies, and a lot of opportunities to potentially expand into other adjacent categories. Our commitment is underscored by our commitment to leverage our core strength and our brand equity. So, we've done a lot of research into where our brands have the right to travel. Central to our ethos is the commercialization of sustainable product solutions. You've heard a lot about that. And you could see today that we're well on our way to making a lot of progress across all of our product portfolios. And we have the goal of having a sustainable product solution by 2025 for every single one of our products.

And lastly and most importantly, our focus is on expanding margins and driving cash flow because as Scott just said, the focus on everyone on our leadership team and beyond those just in this room is driving shareholder returns.

So, now, we're going to take a quick break and we're going to set up for a Q&A session, and we'll be back again shortly. Thank you.

[Break] (02:02:57-02:10:01)

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

You get mic. All right. Well, thank you all for joining us this morning. We hope you found that worthwhile and informative. We've been looking forward to doing this with all of you. So thank you again for coming. It's really open forum for Q&A. Those of you online, please submit your questions if you have not already. About half of our audience is actually online today, so we've got a big group of participants out there as well. So I think we'll start. I know some of you have to...

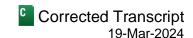
[indiscernible] (02:10:30)

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

So why don't we start with Andrea and then we'll go from there.





QUESTION AND ANSWER SECTION

Okay. Do you want to have a microphone or...?

V. Lance Mitchell
President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

There is a walkie mic somewhere.

Judith Buckner
President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Yeah. Where's the runner?

Andrea Teixeira
Analyst, JPMorgan Securities LLC

Andrea Teixeira [indiscernible] (02:10:44). Andrea Teixeira, JPMorgan. I was wondering if you can – I mean, two-part questions [indiscernible] (02:10:52). First, I think the SG&A component or guide, right? You mentioned SG&A in line. First of all, [indiscernible] (02:11:02), I believe you [ph] kind of answer the question in 2024, the \$80 million (02:11:05) that you spent in 2023 might be a similar number for this year. But as you go through next year and the years after 2030, as you pointed out, how much we should be thinking of A&P within that component. I think that's important to realize given all the efforts [indiscernible] (02:11:29) are doing to increase marketing.

And then second part is the M&A. I felt that since the IPO, the M&A components are a little bit more involved now and more attention. Of course, deleveraging first and then do the M&A. So what type – it would be similar to Atacama or how we should be thinking of M&A?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Well, why don't you start with SG&A? I'll start with M&A.

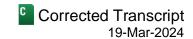
Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

Okay. So, I think [indiscernible] (02:11:56) your question on M&A or, excuse me, on SG&A had two dimensions. I think one was the comment about SG&A remaining in line with revenue. We thought that'd be a simple assumption to make rather than try to have a long and detailed narrative around operating leverage candidly. So, we think that's a sensible and arguably a conservative assumption to make.

I think your sub-question was around advertising spend. You have a good memory. We spent about \$80 million. Think of it as roughly 4% of branded sales volumes in 2023. We expect that relationship to be consistent this year. I think lastly, you asked a bit about trade and A&P. We have a workstream that's evergreen and ever going to ensure that we continue to make the most of those investments. I'd close by saying I think the proof is in the pudding. We've seen a multi-year history of gaining share from the result of those market investments.

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V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

On M&A, as I think Scott eloquently pointed out in his presentation, there are several components to our capital allocation strategy. We've got a lot of opportunities with an organic growth, both from a innovation standpoint as well as from investment and productivity opportunities, some of which you've seen proven already through our results. We've also are committed to total shareholder return, and we've done some extensive research on where the brands can travel beyond the current existing categories. But I will say that we've worked very hard to delever and get to the financial flexibility that we've achieved.

And we would have no plans to make a "transformational" type of acquisition. If we did an acquisition, it would be [ph] close in (02:13:50) and it would be a tuck-in. It would not be something significant. And that's consistent with what I've been saying for years about our M&A strategy. There's really no change to the capital allocation in that regard. But what we do know is that the Hefty and Reynolds brand can go outside of the foil bags and wraps aisle.

Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

I will add one additional point to Lance. I think it's important is if over time we don't have an immediate M&A opportunity, remember that the default use of capital could also be just paying down debt. And I offer that because the return profile is attractive. It's a 7% guaranteed return. We took about \$20 million out of interest expense between 2023 and 2024. So just I add that for clarity.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Robert?

Robert Ottenstein

Analyst, Evercore ISI

Yeah. I was going to ask on the M&A question. And you answered a large part of that is, is we're not going to wake up one day and you're levered up 5 times for the greatest potential acquisition once in a lifetime deal in the world. So you've taken that off the table, right, Lance?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Absolutely. That is not on the table.

Robert Ottenstein

Analyst, Evercore ISI

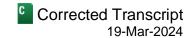
Okay. Just want to make sure. So on the – it happens.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

[indiscernible] (02:15:10).

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Robert Ottenstein

Analyst, Evercore ISI

So, look, on the organic and inorganic side, it would seem – and you have the brands, it seems you could move into some of the adjacencies organically to some extent. And then I guess there's some that would be inorganic. Can you talk about the opportunity set on the inorganic side? You know, is it a lot of small private companies that maybe family-owned where there may be succession issues, so there are natural seller, what is that – what – and you could get very attractive multiples on them. Just trying to get a little bit better sense of what that potential opportunity set looks like.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Yeah. I don't want to go into too much detail there because, obviously, there's some competitive intelligence there that I'd rather not get into from a specific detail standpoint. But I'll just emphasize the fact that we could go beyond with the Hefty and Reynolds brands into some closer end categories. Think about the adjacent aisles for example. And a lot of those opportunities are smaller in nature that are tuck-in type of opportunities.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

We'll take a question online here and we'll come to you, Lauren. Lance, what is RCP doing to leverage digital marketing to enhance consumer engagement?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

We've talked about digital marketing and stuff that we've significantly invested in over the last several years. You saw some examples of that during the presentations for the business presidents. It is increasingly becoming and a more important part of how we reach consumers with our brands. And I'll throw it over to Lisa to start with and Judi on some examples.

Lisa M. Smith

President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.

Sure. Yeah. Digital is obviously very important to our overall strategy to target our audience where they're naturally absorbing media. We build omnichannel campaigns that include all types of digital marketing from influencers, social, connected TV, online radio, search. I mean, everything, we include all of that.

And as I mentioned earlier, we routinely invest in analytics to make sure that not only are digital creative, but also that the channels are the right channels for us, and we make changes as we need to. About two-thirds of our media is digital, and we run those campaigns across, whether it be Hefty Ultra Strong, Hefty with Fabuloso, Hefty sliders, or Hefty press to close. So, a critical part of our overall media execution.

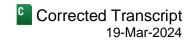
Judith Buckner

President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

And we also have an integrated marketing campaign with a digital media presence across all the channels. The area where we have the greatest engagement I spoke about, which is our influencers, a diverse group, and they help us create content with recipes and tips. And when we find something that we love, we send them a Chef's Kiss to continue connecting that loyalty. And about 50% – greater than 50% of our spend is in the digital area on Reynolds.



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Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Great. Lauren?

Lauren R. Lieberman

Analyst, Barclays Capital, Inc.

[indiscernible] (02:18:27) different versus the IPO conversation was absolutely the conversation on sustainability, recycling-related programs. And I know it wasn't that it was not part of the conversation back then, but it's much more prevalent. So I wonder if you could talk about, I guess, one, it's about – is it about – how much that's about availability of technology, changes in ability to scale those technologies? You know, Atacama, we talked about a bit last night. You talk about that as well. And then the importance of marketing that to consumers and scaling the

And then the other thing was, I think you mentioned specifically the Reynolds that the foil, the recycled foil is now equal quality and equal price, which was not the case five years ago.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

technologies as you think forward over the next 5 and 10 years.

Yeah.

Lauren R. Lieberman

Analyst, Barclays Capital, Inc.

So, why not make the switch? Is the margin profile different? You know, what's sort of the gating item or is it about scaling the technology to be able to completely make the switch?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

I'll take the first part of that and you can get into the specifics of the Reynolds Wrap campaign because she's actually changing something [ph] that was her idea and that whole (02:19:35) program. What we've seen is a change in consumer sentiment as we have – you heard a lot today about our focus now on the younger generations. And as we focused more on the younger generations, we learned a lot more about their desires and their expectations for brands.

So, our change since the IPO is that we have put more development into sustainable product solutions. And that means just not developing a product but also looking for the technology that can [ph] pose a (02:20:08) cost gap and be able to offer that solution without a significant premium price.

Atacama is a great example of that. And when I talk about acquisition, some of the opportunities and we talked about targeted emerging technologies. We're looking for companies like that or that startup that had some unique technologies that are small in scale, but something that we could really build on as a platform to enable our product development and sustainable product solutions.

On the Reynolds Wrap one, it's...

Judith Buckner

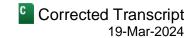
President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Reynolds Consumer Products, Inc. (REYN) Corrected Transcript Investor Day 19-Mar-2024 Sure. V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc. ...fun story. Judith Buckner President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc. It is a fun story. So, consumers have a hesitancy when they hear that it's 100% recycled or 50% recycled content. I think you heard Rachel in Hefty talk about the Hefty name and you believe in the strength. But there is some hesitancy there. And so, we've had this product out in the marketplace and it's right there on the shelf at the same price point. So, we're working on a new marketing campaign with the packaging of our box to show that it is sustainable. We're going to put it in the same unbleached parchment sort of substrate. And we're also going to say same great strength so that you understand that. And for those of you here today, I believe you have a sample of that in your goody bag. So, that's our plan. V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc. In other words, you need to educate the consumer... Judith Buckner President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc. Yeah. V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc. ...that it is the same strength and the same capability, because they look at it and they say, well, it may not perform... Judith Buckner President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc. Yes. V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc. ...the same as Reynolds Wrap. That's the - we've got to get the story out there and educate consumers that it does have the same strength and it does have the same moldability and all the features that the Reynolds Wrap has. Judith Buckner President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Lauren R. Lieberman Analyst, Barclays Capital, Inc.

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And then – my microphone is [indiscernible] (02:21:46). But the scaling of [indiscernible] (02:21:50) Hefty ReNew Program, for example, and I just looked, and it's still a limited number of market. So, there's a whole, like, recycling infrastructure dynamic. So, what kind of role are you guys playing with municipalities, governments to drive that forward? Like, how does that happen, because you said it's – there's instructions on everything that says how to recycle it, but not every – you can't do it everywhere. And the party cups...

Judith Buckner President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.	A
Yes.	
Lauren R. Lieberman Analyst, Barclays Capital, Inc.	Q
that's the coolest thing ever. But I can't [indiscernible] (02:22:19).	
V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.	A
I think Lisa's the best. She's really close to the ReNew Program. If you want to take that one?	
Lisa M. Smith President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.	A

Yeah. I mean, we select the markets that we want to expand to, but it's based on long-term partnerships that we build with those municipalities as well as the [indiscernible] (02:22:36) municipal recycling facilities in those areas. And so, based on that partnership that we build is how we can expand that going forward. So, I mean, we have plans to expand the program aggressively. We're very excited about the program and we know that consumers love it. So, it's just that they take – it's a longer selling cycle, to your point.

Rachel Rothe Bishop

President-Hefty Tableware, Reynolds Consumer Products, Inc.

So, you asked about difference from the IPO, and one of the things, there is more availability of high-quality recycled resin. So, the PET party cup that we're doing right now, we couldn't have done four years ago because the recycled resin we were getting was – I won't get into detail, but it wasn't as clean. And so, you ended up with a very cloudy cup. And the cloudy cups, the consumer, if it says recycled and it looks a little cloudy, you're like, yeah, I don't know what's in this cup and do I want to drink out of it. Now you're getting high-quality recycled PET, and some of that is because a lot of the soft drink folks are promoting recycled PET bottles. And so, we're able to access that.

On PLA as well, PLA supply was incredibly limited back in 2019. And so, we're trying to work to build the demand side and partner with our suppliers so we get premium access to the highest-quality material, and then we can also get it out there. And because we have a brand that has such strength, we also create more credibility so that that loop can continue to close. So, there's definitely things in the market that have changed and we're trying to drive that where we can.

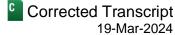
V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

PhD Materials Science.

A

Reynolds Consumer Products, Inc. (REYN) Investor Day



Rachel Rothe Bishop President-Hefty Tableware, Reynolds Consumer Products, Inc.	A
[indiscernible] (02:24:07) that's helpful.	
Mark David Swartzberg Vice President-Investor Relations, Reynolds Consumer Products, Inc.	Α
We'll take a question from Mark.	
Mark S. Astrachan Analyst, Stifel, Nicolaus & Co., Inc.	Q
Great. I've got three. First is	
Mark David Swartzberg Vice President-Investor Relations, Reynolds Consumer Products, Inc.	A
Great.	
Mark S. Astrachan Analyst, Stifel, Nicolaus & Co., Inc.	Q

...on the advertising, you made the comment about it being as a percentage of your branded sales, 4%, but your growth is at least partly predicated on household consumption of stuff, people using the products, right? So, the 2% of sales that it is of total, why is that the right number relative to other consumer peers that may be spending more? How does that play into growing the category in consumption of your stuff?

And then, on M&A, I actually have a lot of questions on M&A, I feel like that was just very interesting relative to what we had heard before. But, you think about, like, what does cleanup mean to you? Like, are we talking, like, sprays, or are we talking something that's a little bit closer to home? I guess if you think about, like, cooking, how would you think about the manufacturing side of it? Is it something that you could produce yourself? Is it something that you potentially co-pack? How far afield are we talking about here? Obviously, there's a captive relationship with Pactiv – not to rhyme those – but there's obviously stuff that they do.

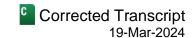
And then, just lastly, in the sustainability piece, are there categories where there's been more disintermediation versus five years ago? I think of plastic bags or plastic wrap as an example where there are things out there that consumers can use today that get reused over and over again. And how does that factor in the consumption and how do you think about the long-term targets of stuff?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Let me take the advertising one first and, of course, my colleagues can add to that. We historically have spent less as a percentage of sales than other CPG companies. And one of the reasons for that is Reynolds Wrap, for example, is the only brand in the category. So, our focus is not versus competition in that category. It's about reaching use occasions. The second thing that we've done very effectively, and you saw it from the presentations today, is we're spending it very efficiently. So, the ultimate measure of advertising effectiveness is market share. Our market shares in our brands have gained share. Hefty's gained share, Reynolds' gained share. So, our advertising at that percentage is effective and it's working.

Investor Day

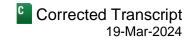


M&A, I don't really want to get into too much detail about what – when I say that we can expand the brand, we're – first of all, we're not talking about a significant M&A activity in this company. So, I think it's – I want to make sure that that's very clear. Our strategic priority, pay down debt, total shareholder returns, M&A, we've got more organic opportunities to go after that are going to have higher priority. We are going to evaluate M&A opportunities, but I don't want to overplay that as a part of our near-term strategy. And so, I want to make that very clear.

As far as reusable products, we're watching that very closely. We have not seen a demonstrable change in consumer behavior, with the potential exception of tableware. And a lot of that has to do with the fact that people are rewashing dishes and not using it for everyday use occasions because of price points, which I think Rachel did a nice job today of explaining what we're doing to change that trend back.

Mark David Swartzberg Vice President-Investor Relations, Reynolds Consumer Products, Inc.	A
Nik.	
Nik Modi Analyst, RBC Capital Markets LLC Hi.	Q
Mark David Swartzberg Vice President-Investor Relations, Reynolds Consumer Products, Inc. I like that.	A
Nik Modi Analyst, RBC Capital Markets LLC	Q
By the way, thank you.	
By the way – thank you. That's my new stylish hat.	Q
Rachel Rothe Bishop President-Hefty Tableware, Reynolds Consumer Products, Inc. Good	A
Nik Modi Analyst, RBC Capital Markets LLC It's very cold in here.	Q
V. Lance Mitchell President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc. It is could in hore	A
It is cold in here.	

Investor Day



Nik Modi

Analyst, RBC Capital Markets LLC

By the way, you guys, all of you look wonderful for being over 200 years old. Lance, can you just talk a little bit about inventories, and I mean, retail inventories, but also at-home inventories? Do you feel like at this point you have a good handle on kind of what's going on so you can have a better understanding of at least from the foil

side of the business? And then, that comment is really coming from, last week, I've been hearing a lot of retailers are calling around and talking about further inventory reductions, just given lack of consumption, slow consumption, interest rates staying high. So, any thoughts on that would be helpful.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Yeah. In retail inventories in our categories, we're not getting a lot of pressure from retailers to reduce inventories. We did see at the end of the year there was a couple of retailers that were very carefully managing inventories, but then they replenished after the end of the year, their fiscal year. We actually saw the opposite occur for the Easter holiday. We saw more shipments coming in the consumption for Easter. So, in our categories, it's a higher velocity-type category. We're not seeing the pressure there.

It's harder to measure pantry inventories. I mean, that you do through surveys. Consumers don't always accurately answer those questions. But what we are hearing is that it's more in balance than it was certainly during COVID and post COVID. But we're not hearing that there's an imbalance of inventory in consumer pantries for our products.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

We have an online question for you, Chris. Isn't it true that in your categories, broadly speaking, there's significant low-cost international supply?

Christopher Corev

President-Presto Products, Reynolds Consumer Products, Inc.

I mean, it is true that there are cheaper suppliers. I mean, what you can see is our leadership position from a market share perspective where we lead the press-to-close food bag category, we continue to grow share yearon-year. We believe that our overall value proposition from research, development and engineering, domestic manufacturing and the quality that we provide our retailers sets us apart and provides a holistic value equation that's attractive to our customers.

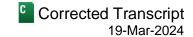
Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

[ph] Javier (02:30:03).

My usual question on private label, if you can talk about how retailers are seeing private label vis-à-vis a more neutral commodity environment and what does it mean for pricing, do you - there have been talk about private label retailers wanting CPG companies to lower prices, what does it mean for you? We don't see it in the data, but if you can update us on that?

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V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Yeah. In our categories, it's remained stable. I've answered this question numerous times over the last several years. Most of our categories are already highly penetrated, brands and store brands, Reynolds Wrap and the foil category being a notable exception. And they've remained stable through economic cycles. We did see some increase in brands in our categories during the 2020 in the pandemic. But it's much the same. I had a slide in my presentation, it's much the same as it was in 2019 from a percentage standpoint, and not a lot of pressure for significant changes in any of our product categories.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Brian.

Brian C. McNamara

Analyst, Canaccord Genuity LLC

Hey. Thanks for taking the question. So, I was hoping you could kind of rank order the drivers of volume growth that you see as it stands today, whether that be innovation, sustainability, the 95% of households that already buy – or already are a customer and perhaps buying more, is it simply household formation or population growth? And then, with that, in your low-kind-of-single-digit revenue CAGR algorithm, how should investors think about price versus volume growth?

Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

Why don't I start with your last question, price risk to volume growth. To kind of go back to the prepared remarks I offered, we literally just tried to roll the current environment forward and importantly did not assume deltas in raw material input cost vis-à-vis pricing. So, rather than try to reinvent an economic forecast and then all the attendant challenges, that's what we did. I guess you could say if economists are right and costs are ultimately going to come down, logic would suggest that probably helps demand, whether that's [ph] the facts (02:32:35) pattern we have, time will tell. But that's at least my thoughts on "price risk relative". Because, again, we shared in the Q4 call and again today, generally, commodities are fairly stable relative to what we've seen over the last several years.

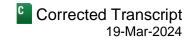
V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

And as Scott mentioned in his presentation, we used the third party to forecast the future CAGR for the categories and return to a category growth of low-single-digits in 2025. And they factored in – they did a multi-regression analysis and there were several factors in there. I don't remember the exact stack ranking, but they're what you mentioned, household formation, price elasticity and getting prices up from an affordability standpoint and innovation. Those were three of the biggest key drivers of our categories in the return to growth.

And what is negative in our categories is primarily the price points which we are correcting. You saw that corrected in foil, right? We made that change in foil. So, I've mentioned in earnings calls, tableware is a much more complicated category. There's a lot more products. There's a lot different products that we've got to make changes to in different channels. So, it'll take more time than Reynolds Wrap, which was a few key SKUs that we could make quick changes to.

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Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Robert.

Robert Ottenstein

Analyst, Evercore ISI

Just a couple of follow-up questions. One, I think you mentioned that over the last three years, 20% of your sales have come from innovation. What would that be as a percent of gross profit, let's say, and how do you look at innovation in terms of higher margins, higher returns, is there kind of thresholds there? So, maybe what is that delta? And then, second, some very impressive statistics on the effectiveness of your advertising versus your competitors. I mean, just literally blowing them away. So, I'd love to understand what you think you're doing better in terms of the advertising than the competition and whether that's sustainable? Thanks.

Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

You want to start ...?

Lisa M. Smith
President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.

Do you want me to start with that?

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Yeah, [indiscernible] (02:35:10)...

Lisa M. Smith

President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.

Okay. Sure. Yeah. I mean, I think, first of all, it starts with the strength of the brand and the fact that we are – and I'm going to speak to Hefty Waste here – that we are – our brand is synonymous with strength. And the chant that you all heard, I mean, that's a big part of the brand association and brand recall. Having our partnership with John Cena is a perfect partnership, and that has really gone a long way to helping us there. And then, having very breakthrough creative, as I mentioned in the opening, it's been long that – it's always a stinky or broken trash bag creative out there. When you try to do something different, you get noticed, you can engage and really drive loyalty.

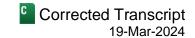
And then the piece that I mentioned about analytics is really important because that's what allows us to keep our advertising. We can get more from that media every year. And literally every year, we are improving our effectiveness and our return on our advertising. And that's just a very deep partnership that we have and expertise that we've built over time and continue to grow.

Scott Edward Huckins

Chief Financial Officer, Reynolds Consumer Products, Inc.

I think you started your question, if I heard you properly, on almost like a margin mix concept around innovation. I'd probably just summarize and say, I don't see anything materially different about innovative or innovation launches vis-à-vis the base portfolio. Really the only noteworthy disconnect, I think, in the margin profile would be, I mentioned, in my conversation the low-margin non-retail business that would be an outlier relative to the balance

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of the portfolio. But listening my colleagues have something to add, I wouldn't call out something material around innovation margin profiles vis-à-vis the base portfolio.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Judi, we have a question online for you about Chef's Kiss and young cooks. Talk a little more about what it costs to reach these consumers, and what's involved in converting them to loyal consumers.

Judith Buckner

President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Sure. So, young cooks, they consume media differently from other generations. We really need to meet them with messaging that resonates with them, and that includes online, Instagram, TikTok, all those areas, and we require an attractive ROI on all of our ad spending, and Chef's Kiss was no exception. In fact, the Chef's Kiss creative, it tested really, really well with younger chefs. And I'd mentioned it earlier, but we're connecting with them organically through social. When we see a recipe or a tip that they're sharing with us, we'll add these Chef's Kiss emojis that sort of float through on the Instagrams and the TikToks out there. And so, that's a great thing. And like I said earlier, what's great about this generation is once they know about our products, they're just as likely as older generations to repurchase them.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

I think we'll poll for one or more question and – we have one more online if there's no one in the room. It's also for you, Judi. The Reynolds brands are very strong. What are some of the opportunities you see for it to innovate within your categories and to enter into new categories?

Judith Buckner

President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Reynolds Kitchens' air fryer liners and Reynolds Kitchens' butcher paper, those are great examples of our strength and brand and right to drive new usage occasions. Those are only examples, and we have a really rich pipeline of innovation in front of us for 2024 and beyond. And we know that the Reynolds brands have a right to expand and TAM that Scott talked about and, of course, the brand importance in different cooking angles and occasions.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Great. Going once. Yeah. [ph] Dan (02:39:05). Yeah.

It's a question on international. Yeah, just very simply, is international an opportunity either from a licensing standpoint or export?

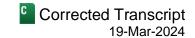
V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

We have opportunities primarily in Canada and Mexico that we're focusing on. We're under-indexed in both of those countries in our products, and we have some very specific plans to expand in Canada and Mexico.

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As Chris mentioned in his opening remarks, he was the Senior Vice President of International. So, we do export, and we have some third parties that we use [indiscernible] (02:39:43) both primarily third-party co-packers rather than licensing. That business is a good contributor. The results roll up currently in our Reynolds Cooking & Baking business. But it's not a significant contributor, and it's not part of our near-term strategy to expand internationally beyond North America.

Mark David Swartzberg
Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Well, I think, we'll...

Rachel Rothe Bishop
President-Hefty Tableware, Reynolds Consumer Products, Inc.

Yeah. We've Robert.

Mark David Swartzberg
Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Oh, Robert. Go ahead.

Robert Ottenstein
Analyst, Evercore ISI

One last question for Lance. The culture that you've built here is really important and very impressive film of the incredibly strong engagement of everybody. Can you talk about how you keep that culture going, the engagement and the morale, when at the same time, your business is one that's very susceptible to automation and efficiency that some people may feel is a threat? So, how do you balance those two?

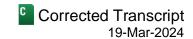
V. Lance Mitchell
President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

First of all, you've hit on something that our company culture was the number one priority beyond safety that I established when I was fortunate enough to be placed in this position. And when I do eventually retire, whenever that is, that will be my legacy. I have worked hard on that. I've got a team that works hard on that. It was intentional from day one when we established the RCP focus which for lack of a better terminology, is our mission, vision, values, which we were very clear about what we expected on how we treated each other, both at the leadership levels and on the shop floor.

So, how do we keep that going? Well, a lot of it come – there's two main things that we do. One is we have what we call the Strategic Ambassador Program. We take top 100 emerging leaders in our company, and we train them deeply on our strategy and our vision and our mission and our values. And then we have them go out into small group sessions throughout the company and have sessions to talk about what's working and not working, and how to really bring that to life in these small group sessions. So, these are called the Strategic Ambassador Program, which primarily hits our salaried employees and our supervisors on the plant floor.

The second thing that we do is we do effective training and development, particularly of frontline supervisors with a primary focus being on safety and culture. So, it's really about what we say a lot in our company, listen, learning and evolving. We listen to what's working, and we work hard to then fix what's not working, and evolve as a result of that because it's a constant learning process.

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Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

We did get one more online for you, Rachel. Can you elaborate on your company's approach to diversity and inclusion within leadership roles? And what impact will these initiatives have on or are they having on innovation and employee engagement?

Rachel Rothe Bishop

President-Hefty Tableware, Reynolds Consumer Products, Inc.

So, some of that Lance covered in the culture. When we do these strategic – when our strategic ambassadors go out, not only do they do these sessions, they put together a spreadsheet of all of the feedback which comes back to this team, and we go through every line item and all take actions against that. So, it's a real closed loop engaged process.

In terms of how we bring diversity to our team and to our leadership, we have early career programs for folks across the organization that brings in a diverse set of young talent, and we manage really career pathing to make sure that everybody has the opportunities that they deserve. Because for us, that's the best way for us to make sure we're getting the best talent into the organization.

Last year, as we went through a lot of changes in our organization, we filled 40% of our open roles through internal promotions and lateral positions to make sure that we had people that really saw that they were able to build their careers and their peers were moving and developing their careers. So that was a huge win for us. And we continue as we go through our succession process to make sure that we've got folks that are eligible for roles or that we're developing folks to be able to move up into roles.

This team here, Scott and I are the recent outsiders. But, we've been able to continue to fill our leadership team when we've had open positions with folks internal. And this is from a gender standpoint, maybe one of the more diverse groups you'd see on a panel like this. And we've clearly got more work to do, and we're committed to making sure it happens.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

So, I'd just add to that robust succession planning process, very disciplined and a mentorship program that is extremely well-managed by our – led by our HR team to make that happen.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

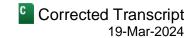
I think – oh, Lauren, go for it. Go for it. Yeah. That's why we're here.

Lauren R. Lieberman

Analyst, Barclays Capital, Inc.

Thanks. I was just thinking back to all the conversation on innovation, and one thing that wasn't touched on was kind of hurdle rate to launch, so. And I know as a company, you think a lot about dollar profits, not margin percentage. But some of you hear a lot of companies talk about is innovation has to be margin accretive in percentage terms. So, just curious how you think about hurdle rates, what drives the decision to launch something not how margin does or doesn't play into the innovation thought process and approach.

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V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

I'll let you talk a little bit about that, because she's leading effort to really rework our entire innovation process from a stage-gate standpoint. But we always look for it to be accretive. Doesn't have to be significantly accretive, but the hurdle rate is existing product, can we make this an accretive launch as the initial hurdle point.

Lisa M. Smith

President-Hefty Waste & Storage, Reynolds Consumer Products, Inc.

Yeah. That's exactly right. And we are developing these specific metrics and targets that we want across all of our different definitions of innovation. But absolutely, the goal is to be margin accretive, 100%. We know that sometimes that may not happen, and it doesn't mean we're going to walk away from something that is a wonderful win in the marketplace. And then, we're always focused on whether they be renovations or innovations. And so, it's really important for us to – and we've got great shelf space in the categories. We have to keep those updated and relevant with consumers. So, we put a lot of energy into that. But then on the innovation side, again, always striving for margin accretive.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

And I would add that, one might think that because something is sustainable and might be more costly, it can't be more margin enhancing. We've seen and in fact are, right now, adding products that are margin enhancing that are sustainable. So, it's just a great illustration of what Lisa said.

Lauren R. Lieberman

Analyst, Barclays Capital, Inc.

And then, you mentioned shelf space. So, we may as well ask about shelf space. So, I mean, I think we're very close to spring. Doesn't feel like it outside today. But we should be able to walk into stores and see things ourselves pretty soon. But any kind of preview you can give us as you do shelf resets across the major categories, incremental space wins, just how you describe the process and where things stand.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Not everybody resets in the spring, but some major retailers do. And I don't remember which one. I think it was you, Lisa, talked about one major retailer that we had a significant win at. We've won at two major retailers in the spring resets. We're very pleased overall with our points of distribution from the spring resets that occurred this year.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

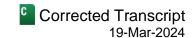
Good. I think – thank you, all, again for joining us. I'll turn it over to you, Lance, to lead us out of here.

V. Lance Mitchell

President, Chief Executive Officer & Director, Reynolds Consumer Products, Inc.

Well, I'll just say, first of all, thank you for investing your time with us this morning. We understand that it's a commitment on your part and an investment on your part to be here from a time standpoint. And hopefully, what you heard today means that you also invest some of your work into RCP as well.

Investor Day



We do have lunch available for those of you that are able to stay. The management team will be in the lobby for as long as you're able to stay as well. And we have some product samples for everybody on your way out as well we'd like you to try. And thank you for being here today, everybody.

Mark David Swartzberg

Vice President-Investor Relations, Reynolds Consumer Products, Inc.

Thank you.

Judith Buckner

President-Reynolds Cooking & Baking, Reynolds Consumer Products, Inc.

Thank you.

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